

## CO-OPERATIVE ACTIVITIES WITH PARTNER COUNTRIES

The OECD Convention mandates the Organisation to promote policies that contribute to sound economic expansion in economies outside its membership as well as in its member countries. As a result, work with non-members – outreach – is an integral part of the Organisation’s regular programme of work. Many countries outside the OECD area have become major players in the global economy, to the extent that inviting them to participate in the Organisation’s work enhances the effectiveness of policy initiatives agreed within the OECD framework.

### *Forum for building consensus*

The OECD provides a forum for participating countries to develop, through a consensus-building process, best practices, guidelines, principles and other “rules of the game”. These may herald, or provide the building blocks for, formal treaties and other binding international agreements. The participation of non-members in initiatives such as the Model Tax Treaty and Transfer Pricing Guidelines, the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and the Chemical Safety Programme, enhances their efficacy.

Consensus is built through: 1) a shared analysis of the issues and mutual understanding of other countries’ positions; 2) the formulation of a common market-based response to the issues; and 3) surveillance of the follow-up given by each country in a “peer review” process. As a result of this method, non-member economies have shown a remarkable willingness to work with the OECD. For example, countries which objected to the inclusion of the “Singapore issues” (investment, competition, transparency in public procurement and trade facilitation) in the World Trade Organization (WTO) negotiations at Cancún have been willing to discuss these issues within the context of the OECD’s Global Forums and other outreach programmes.

### *Sharing knowledge and expertise*

The Organisation works with non-members to provide the support for policy reform and capacity building they need to develop policies for advancing economic, environmental and social progress. OECD outreach work encompasses policies to enhance the investment climate, advance statistical methodologies, improve both public and corporate governance, build stronger national institutions for trade policy, and more generally to encourage the range of domestic reforms required in all countries to reap the benefits of globalisation.

Currently, three avenues for co-operation exist between members and non-members: OECD Global Forums; Regional/Country Programmes; and OECD Committees, bodies and instruments. Furthermore, the 2004 ministerial meeting welcomes the participation of non-members in its discussions on trade-related issues.

The eight OECD Global Forums make broad use of OECD expertise and aim to deepen and extend relations with non-OECD economies in fields where the OECD has particular expertise and where global dialogue is critical for social, environmental and economic progress. The Forums may promote the worldwide implementation of OECD guidelines and agreements, or act as a venue for the participants to discuss difficult issues in a neutral, non-negotiating context. Currently, the Global Forums focus on sustainable development; knowledge economy (highlighting biotechnology and the digital economy); governance; international taxation; trade; international investment; agriculture; and competition.

Through targeted geographical programmes, the OECD has assisted in policy reform in regions and countries where a basis for mutual co-operation exists. The OECD's co-operation with China is helping to ensure its integration into the world economy in a sustainable and mutually beneficial manner. The OECD has launched a two-year programme to reform China's governance systems and practices. The programme will help Chinese policymakers address critical governance challenges affecting China's social and economic development. A second economy-wide study of China will be published in the Spring of 2005. This study is likely to have a significant impact on China's macroeconomic and structural policymaking. In the framework of the ADB/OECD Anti-Corruption Initiative for Asia and the Pacific, 21 Asian countries have formalised their policy objectives and anti-corruption commitment in a regional action plan. The OECD-Korea Regional Centre for Competition, launched in 2004, offers a new model for capacity building and regional policy dialogue between members and non-members in Asia.

As the secretariat of the Environmental Action Plan for Central and Eastern Europe (EAP), the OECD has successfully promoted several environmental policy initiatives in the transition countries. In Southeast Europe, the OECD co-chairs the Investment Compact which aims to boost private sector investment in the region. In its capacity as the Co-ordinator for General Education Policy and System Change in the Stability Pact, the OECD secretariat has undertaken 13 reviews of varying magnitudes, with another one currently under way. The OECD has been working closely with Russia since the early days of post-communism to support its reform and transition efforts. A major focus of current work is a review of Russia's regulatory reform policies. Ongoing joint activities cover an extensive array of market-reform initiatives, ranging from five *Economic Surveys* to policy reviews in areas including competition, investment, education, agriculture, environment, innovation policy, trade policy, as well as corporate governance reform and the fight against corruption. OECD work has deeply influenced policymaking, and the Russian government has included many OECD recommendations in its reform agenda.

A second *Economic Survey* is under way on Brazil. The transition team of President Lula da Silva asked the OECD for a public budget and expenditure analysis at end-2002. The study influenced the design of the policy of fiscal responsibility pursued by the new government. After working with the New Partnership for Africa's Development (NEPAD) in the development of its own peer review mechanism (APRM), the OECD is launching policy reform initiatives to improve the environment for investment and private sector development in Africa and to support governance reform efforts on the continent.

Non-members also participate in OECD committees and other bodies, allowing for direct exchanges with officials from OECD capitals in the context of general discussions, peer reviews or the development of new guidelines or agreements.

### **Partnerships with other international organisations**

The OECD co-ordinates closely with other international organisations to promote its dialogue with non-members. Recent examples of co-ordinated activities are as follows: The OECD and the Inter-American Development Bank jointly sponsored the Latin American Competition Forum in April 2003 to advance effective competition law and policy in Latin America. The OECD-APEC co-operative initiative on regulatory reform is elaborating an APEC-OECD Integrated Checklist for self-assessment on regulatory, competition and market openness policies. Implementation of the Checklist will enhance competition and regulatory reform. The OECD/World Bank Group regional roundtables on corporate governance issued White Paper recommendations for reforms in Asia, Southeast Europe and Latin America in 2003. A joint publication with the World Health Organization of a handbook on trade in health services helps build consensus on this issue, including in the context of the current WTO negotiations.